

**RECOGNITION OF THE FOREIGN  
EXPERIENCE AND CREDENTIALS OF IMMIGRANTS**

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## **RECOGNITION OF THE FOREIGN EXPERIENCE AND CREDENTIALS OF IMMIGRANTS**

### **INTRODUCTION**

The best immigrant selection system in the world will ultimately be of little benefit to Canada if a significant number of our economic immigrants are unable to work in their trade or profession because their credentials, training or experience are not recognized, because inadequate assessment processes are in place, or because suitable upgrading programs have not been developed.

This problem is neither new nor easy to solve. The regulation of professions and trades is largely a provincial matter, with over 400 organizations involved. It has been the subject of a number of studies, and anecdotes about the hardships caused to individuals abound. The consequence of what the Conference Board of Canada refers to as “unrecognized learning” is significant. Estimates of the economic value lost by undervaluing the skills of immigrants range as high as \$15 billion annually,<sup>(1)</sup> and the psychological impact on those affected can be devastating.

### **A LONG-STANDING PROBLEM**

Issues relating to credential recognition began to be identified in the 1980s.<sup>(2)</sup> In 1995, the Standing Committee on Citizenship and Immigration conducted a study on many of the

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(1) Jeffrey Reitz, “Immigrant Skill Utilization in the Canadian Labour Market: Implications of Human Capital Research,” *Journal of International Migration and Integration*, Vol. 2, No. 3, 2001.

(2) For example, see R. S. Abella, *Equality in Employment: A Royal Commission Report*, 1984. Numerous other reports and studies also referred to the problems.

economic aspects of immigration.<sup>(3)</sup> The Committee examined the evidence supporting the proposition that the economic impact of immigration had been diminishing, and noted Canada's difficulty in evaluating and recognizing foreign educational credentials. It emphasized that the losses were to both the immigrants and to Canada as a whole. The Committee recommended that the federal government continue to work with the various governmental and non-governmental stakeholders to further the development of a nation-wide system for assessing and recognizing the educational and occupational qualifications of foreign-born individuals.<sup>(4)</sup>

In its response to the Committee's report, the government noted that a federal-provincial working group on access to professions and trades was involved in a number of initiatives. It promised continued work on the issue.

The issue was again addressed in a report prepared for Citizenship and Immigration Canada (CIC) and released in early 1998.<sup>(5)</sup> The authors of the report noted the problems:

We have heard across the country and read in numerous submissions of the problems individuals face in working in particular professions and in having their credentials recognized. These systemic barriers in effect transform what should be transitional under-employment into chronic underemployment. The wasted potential results in a personal loss to the individual and to the country as a whole.<sup>(6)</sup>

The report was critical of the protective tendencies of many professional associations and the lack of coordination among the many bodies responsible. It noted that little progress had been made on a commitment made by the government in 1994 to establish a "national clearinghouse" on accreditation. At the same time, it recognized that there was no simple solution to the problem; the relevant recommendations urged that the issues be pursued.<sup>(7)</sup>

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(3) *Economic Impact of Recent Immigration*, First Report of the Sub-Committee on *Diminishing Returns*, Eighth Report of the Standing Committee on Citizenship and Immigration, November 1995.

(4) *Ibid.*, recommendation 12, p. 25. Committee reports in subsequent years returned to the issue, reiterating its importance.

(5) *Not Just Numbers: A Canadian Framework for Future Immigration*, Immigration Legislative Review, 1998.

(6) *Ibid.*, p. 37.

(7) *Ibid.*, pp. 37-38, recommendations 27 and 28.

In the late 1990s, private sector reports continued to draw attention to the problem,<sup>(8)</sup> and the government recognized it repeatedly.<sup>(9)</sup> In the early 21<sup>st</sup> century, the issue has continued to garner attention, most recently being discussed in the Throne Speech opening the 38<sup>th</sup> Parliament.<sup>(10)</sup>

Efforts to improve the recognition of foreign credentials and prior work experience have yielded too little progress. Looking to the growing contribution that will be required from new Canadians as our population ages, this Government will redouble its efforts, in cooperation with the provinces and professional bodies, to help integrate them into the workforce.

## MEASURING THE PROBLEM

Anecdotes of physicians driving taxis and engineers cleaning offices are more and more common. However, measuring the actual economic loss to our country is difficult. Human capital earnings analysis attempts to put a dollar figure on the value lost to immigrants and the economy as a result of accreditation problems. This may be somewhat imprecise, since immigrant earnings may be lower than Canadian earnings for reasons other than credential recognition. For example, immigrants may have lower skill levels, or they may face discrimination in comparison with Canadians doing the same work. Nevertheless, it has been estimated that, using 1996 dollars, the deficit in immigrant earnings relating to skill underutilization was \$2.4 billion, with a total loss attributable to all three causes of some \$15 billion.<sup>(11)</sup>

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(8) See Andrew Brouwer, *Immigrants Need Not Apply*, Caledon Institute of Social Policy, Ottawa, October 1999; Reitz (2001); and Ekuwa Smith and Andrew Jackson, *Does a Rising Tide Lift All Boats?* Canadian Council on Social Development, Ottawa, February 2002.

(9) For example, see *Building on a Strong Foundation for the 21st Century: New Directions for Immigration and Refugee Policy and Legislation*, Citizenship and Immigration Canada, Ottawa, 1999, pp. 29 and 31. See also the discussion on government initiatives below.

(10) A similar commitment had been made by the government in the Throne Speech opening the third session of the 37<sup>th</sup> Parliament (2 February 2004): “We will also deepen the pool of Canada’s talent and skills by ensuring more successful integration of new immigrants into the economy and into communities. Immigrants have helped to build Canada from its inception and will be key to our future prosperity. The Government will do its part to ensure speedier recognition of foreign credentials and prior work experience. It will also implement measures to inform prospective immigrants and encourage the acquisition of necessary credentials before they arrive in Canada.”

(11) Reitz (2001).

Reitz points out that under-utilization may arise in contexts that are broader than the complete non-recognition of foreign credentials. These include unwillingness on the part of Canadian employers to accept that foreign credentials are equivalent to Canadian standards, and the fact that employers may discount the value of foreign work experience in comparison to experience in a Canadian setting.<sup>(12)</sup>

In the summer 2003 issue of its electronic publication *The Monitor*, CIC provided data on wage differentials between immigrants and workers born in Canada based on the 2001 census. Without specifically referring to credentialism and related problems, it noted:

Male immigrants aged 25 to 54 who arrived in Canada in the 1990s earned \$33,900 in 2000, an average of 25 percent less than their Canadian-born counterparts. Similarly, female immigrants aged 25 to 54 earned 24 percent less than their Canadian-born counterparts, their yearly earnings averaging \$21,959.

The income of recent arrivals tended to increase the longer they remained in Canada. After 10 years, a male immigrant earned an average of 80 percent of his Canadian-born counterpart's salary, compared to only 63 percent after one year in Canada. Despite this improvement, the relative gap between recent immigrants and the Canadian-born widened. Whereas in 1980, a male immigrant who had been in Canada 10 years earned an average of \$1.04 for every dollar earned by his Canadian-born counterpart, the figure had dropped to \$0.90 by 1990 and \$0.80 by 2000.<sup>(13)</sup>

## **JURISDICTIONAL AND OTHER DIFFICULTIES**

One of the main reasons why difficulties relating to credential recognition continue year after year is that there are so many stakeholders. Generally speaking, constitutionally the provinces are responsible for licensing trades and professions, with the latter being self-regulating. As the report *Not Just Numbers* pointed out, in Ontario alone at the time of writing (1997), there were at least 43 regulatory and professional bodies in relation to professions, and more than 70 trades regulated by the Ministry of Education. There was no complete list of regulatory bodies in the province, let alone the country.

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(12) *Ibid.*, pp. 5-6.

(13) *The Monitor* may be found at <http://www.cic.gc.ca/english/monitor/issue02/06-feature.html>.

In addition, some professions and trades have, for a variety of reasons, made it close to impossible to qualify without either a Canadian education or extensive retraining. The medical profession comes to mind.<sup>(14)</sup>

## **RECENT GOVERNMENT INITIATIVES**

### **A. The Innovation Strategy**

In February 2002, the federal government launched its innovation strategy with two papers. One, *Knowledge Matters: Skills and Learning for Canadians*, explicitly referred to the need to help immigrants achieve their full potential. The government committed itself to collaborating with provinces and territories, regulatory bodies, employers and others to develop mechanisms to recognize foreign qualifications. In 2004, the government again announced that it “has made it a priority to reduce the barriers many immigrants face to fully participating in Canadian society, especially when it comes to finding work.”<sup>(15)</sup> To this end, government departments – including CIC, Human Resources and Skills Development Canada, Industry Canada and others – are seeking to establish consistent strategies to help new immigrants make a successful transition into the labour market. According to the government, departmental coordination is being pursued on issues such as improving the availability of information about working in Canada before immigrants arrive, attempting to speed up the assessment and recognition of foreign qualifications, and creating opportunities for newcomers to gain Canadian work experience. In 2003, a Parliamentary Secretary to the Minister of Citizenship and Immigration with a special emphasis on foreign credentials was named.<sup>(16)</sup>

### **B. Speeches from the Throne**

In September 2002, the Speech from the Throne contained a section on “Skills, Learning and Research.” In it, the government stated:

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(14) (Re)training positions in hospitals needed to be funded, and funding has not always been forthcoming. On the other hand, the current clear need for physicians is forcing the profession (and governments) to ease restrictions.

(15) See: “Immigration Labour Market News: Activities, Accomplishments and the Way Forward,” at the CIC Web site: <http://www.cic.gc.ca/english/ilmi/news.html>.

(16) This special designation was not mentioned in the 2004 designation of the Parliamentary Secretary to the Minister of Citizenship and Immigration, though the Parliamentary Secretary remained the Honourable Hedy Fry.



One of Canada's greatest assets – and a unique advantage in a globalized world – is our openness to immigrants from every corner of the globe. The demographic realities of an aging population and slowing labour force growth place an even greater premium on this immigration advantage. Canada must continue to be the country that immigrants choose to find hope, hospitality and opportunity.

The government will work with its partners to break down the barriers to the recognition of foreign credentials and will fast-track skilled workers entering Canada with jobs already waiting for them. It will also position Canada as a destination of choice for talented foreign students and skilled workers by more aggressively selecting and recruiting through universities and in key embassies abroad.

As noted earlier, these themes were reiterated in the Throne Speeches of February and October 2004.<sup>(17)</sup>

### **C. Response to Standing Committee Report**

In November 2002, the government responded to a report of June 2002 by the Standing Committee on Citizenship and Immigration entitled *Competing for Immigrants*. The report had made the now-familiar recommendation that credentialism be addressed by the various stakeholders, and that the issue be raised as a priority at the (then) upcoming federal/provincial/territorial meeting of ministers of immigration, and that partnerships be pursued. The relevant recommendations, and the government responses, are as follows:

#### **RECOMMENDATION 50**

The various bodies regulating trade and professional accreditation in Canada should be encouraged to work together to address issues of foreign education and skills assessment.

**Response:** The government is committed to making progress on this issue as illustrated in its 2002 Speech from the Throne and the discussion papers released in February 2002 as part of Canada's Innovation Strategy – *Knowledge Matters* and *Achieving Excellence*. These strategies commit the government to working in partnership with the provinces and territories and key stakeholders to develop fair, transparent and consistent processes to assess and recognize foreign qualifications before and after the immigrant's arrival.

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(17) See page 3, above.

### **RECOMMENDATION 51**

The recognition of foreign credentials should be given priority when the federal, provincial and territorial ministers of immigration meet later this year. Partnerships between the federal, provincial and territorial governments, and the licensing bodies, should be pursued.

**Response:** The government intends to hold discussions on the barriers to successful integration as part of its Innovation Strategy. The government is committed to working in partnership with the provinces and territories and key stakeholders to develop fair, transparent and consistent processes to assess and recognize foreign qualifications before and after an immigrant's arrival. The government intends to hold discussions on the barriers to successful integration as part of its Innovation Strategy engagement activities with stakeholders, including regulatory bodies, and with the provinces and territories.

### **RECOMMENDATION 52**

Incentives should be provided to encourage individuals to obtain a provincial professional or trade assessment prior to applying for permanent residence.

**Response:** The government agrees with the Committee's recommendation. The Citizenship and Immigration Web site, on which the skilled worker immigration application package has been posted, is being enhanced to explain to prospective applicants the advantages of obtaining such assessments, and to provide the contact information of the organizations that conduct them.

## **D. Citizenship and Immigration Canada**

In November 2002, the then Minister of Citizenship and Immigration, Denis Coderre, spoke to a conference on international education regarding Canada's innovation agenda. He referred to the importance of helping immigrants achieve their full potential in Canadian society, to the September 2002 Throne Speech and the Innovation Strategy (mentioned above), and to the meeting of immigration ministers that had just taken place. He noted that all had agreed on the need for partnerships in the area, and that the need was pressing. He spoke also about the difficulties and the challenges:

### **Partnership and teamwork**

When we talk about attracting, selecting and integrating the immigrants we need, there's plenty of ground to cover.

A lot of different players are involved. Immigration is a shared jurisdiction, and the 13 provinces and territories hold many parts of the puzzle.

When we talk about foreign credentials, regulatory bodies usually decide what standards have to be met. Courses are taught by a variety of institutions. Employers decide who they hire. So we are dealing with a very big partnership.

For partnerships to work, everybody has to be going in the same direction. Canada is counting on all of us to be part of the solution.

### **Why is FCR a pressing issue?**

Foreign credentials recognition continues to be a major challenge in the labour market.

The immigrants who enter our work force will help us improve the overall skills of Canadians, and they will help our economy adjust to the retirement of baby boomers.

But, if we do not find ways to use their talents, skills and knowledge more effectively, Canada will not continue to be a destination of choice.

We can't afford to watch highly trained people lose their skills because they have to wait too long to have their credentials recognized. It does not make sense.

We need quick and fair assessments so newcomers can benefit from their skills. But we also have to make sure that Canadians are well served by any assessment process we put into play.

For example, Canadians would want to know that a foreign-trained doctor can serve them as well as one trained at an accredited Canadian university.

Our new immigration legislation's approach fits in with the Innovation Strategy. The selection grid focuses on adaptable skills and attributes such as education, knowledge of official languages and capacity to adapt – essential qualities for success in today's labour market.

## **AUSTRALIA: A POSSIBLE MODEL FOR CANADA?**

Australia is a federal state in which, as in Canada, the individual territories have jurisdiction over many accreditation matters. The central government has assumed a coordination role in respect of skills recognition and has been reasonably successful by most accounts. Many have therefore pointed to the country as a possible model for Canada.

The Australian Immigration Department has a section that focuses exclusively on assessment and liaison with the professional and trade regulatory agencies. The National Office of Overseas Skills Recognition (NOOSR)<sup>(18)</sup> is responsible for coordination and also does the assessments for teaching occupations. Assessments for the trades are done by a central authority, as are those for “generalist” occupations, while NOOSR helps facilitate assessments in the professions and other occupations with the appropriate bodies. Given their advanced system, the Australians are able to require that applicants’ skills be assessed by the authority for their nominated occupation before they apply for permanent residence. Their efforts may be worth examining further to assist in planning for the Canadian context.

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(18) See NOOSR’s Web site: <http://www.dest.gov.au/noosr/>.